

MACRO DEEP DIVE · SEPTEMBER 2026 CPI

An energy shock meets a firming core

What the September CPI report says about inflation momentum, the Fed, the bond market and sector positioning, with history and market studies built on point-in-time data.

EXECUTIVE SUMMARY

Four things that matter in this report

3.7%

Headline CPI over 12 months, from 3.4%

Prices rose 0.6% in September. Gasoline rose 9.1% and accounted for over half of the monthly increase.

3.4%

Core CPI, 3-month annualized

The 12-month core rate of 2.6% understates momentum. Services and core goods both firmed.

+77bp

10-year Treasury since June 1, to 5.24%

10-year breakevens slipped to 2.33%. The market is pricing tighter real policy, not higher expected inflation.

5 of 6

Past energy shocks where core moved under 1 point

Over the following year. The exception, 2021–22, began with core at 3.0% and already rising.

THE PRINT

Energy led, and everything underneath edged up

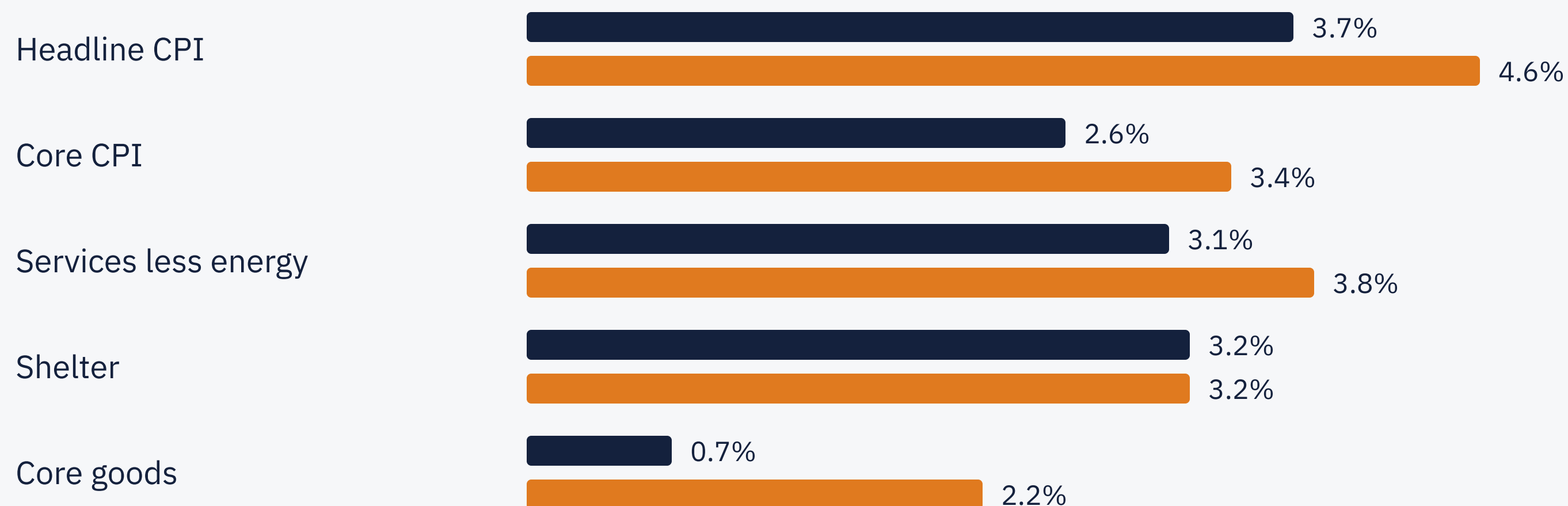
Component	Sep, 1-month	Aug, 1-month	Sep, 12-month	Aug, 12-month
All items	+0.6%	+0.4%	3.7%	3.4%
Core (ex food and energy)	+0.3%	+0.3%	2.6%	2.4%
Energy	+5.2%	+2.1%	20.4%	16.3%
Gasoline	+9.1%	+3.9%	34.2%	27.4%
Food	0.0%	+0.1%	2.5%	2.7%
Shelter	+0.4%	+0.3%	3.2%	3.0%
Services less energy	+0.4%	+0.3%	3.1%	3.0%
Core goods	+0.3%	+0.1%	0.7%	0.7%

Food was the only major group to cool. Shelter, services and core goods all rose faster than in August.

MOMENTUM

The 3-month pace is running ahead of the 12-month rate

■ 12-month change ■ 3-month annualized

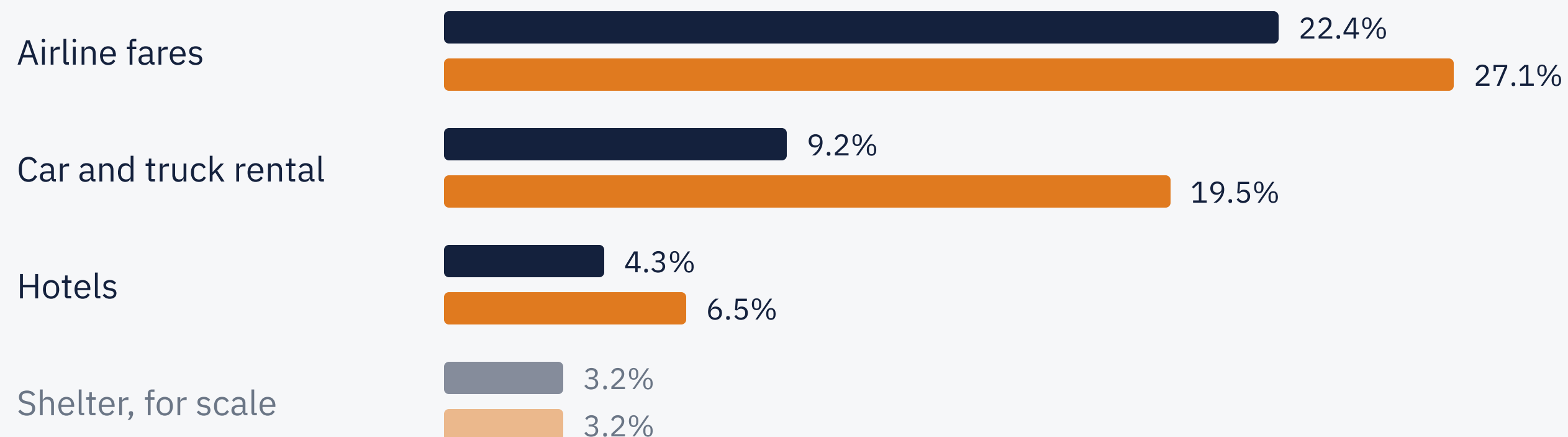


Source: BLS CPI-U; FinzData analysis. 3-month annualized: SA index, Sep vs Jun. Energy (20.4%, 25.3%) omitted for scale.

SECOND-ROUND EFFECTS

Fuel costs are reaching travel services

■ 12-month change ■ 3-month annualized



+0.6%

Transportation services in September, after +0.5% in August. 2.7% over 12 months.

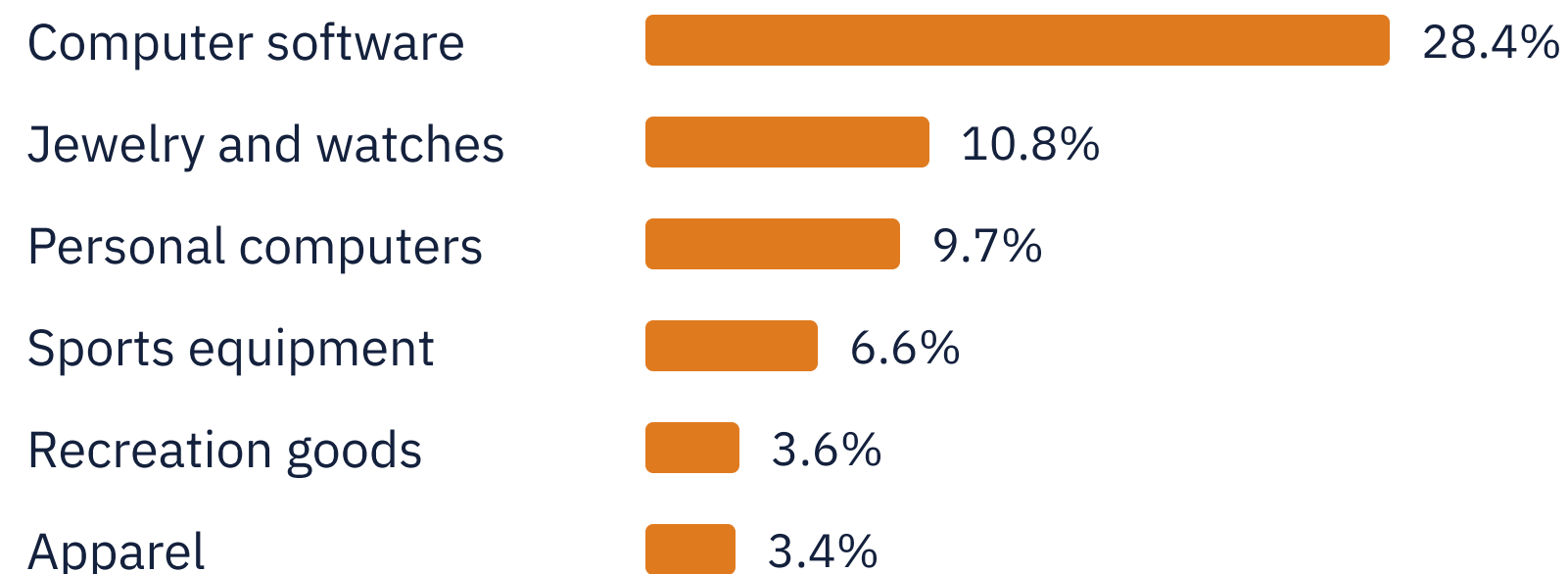
74.2%

Fuel oil over 12 months, the input behind jet fuel and freight.

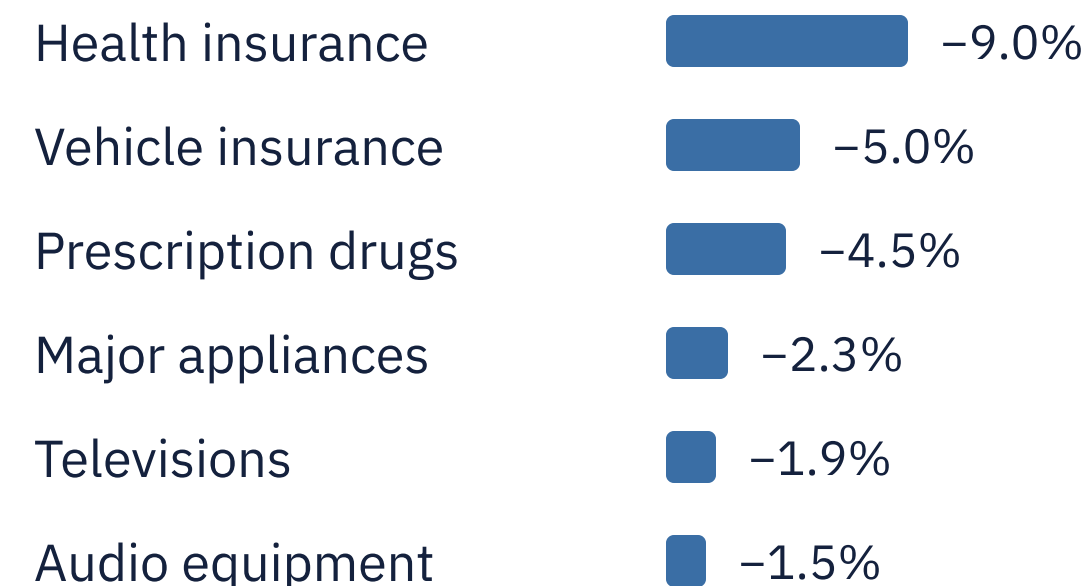
DISPERSION

Tech goods are heating up; insurance and drugs are falling

Rising fastest, 12-month



Falling fastest, 12-month

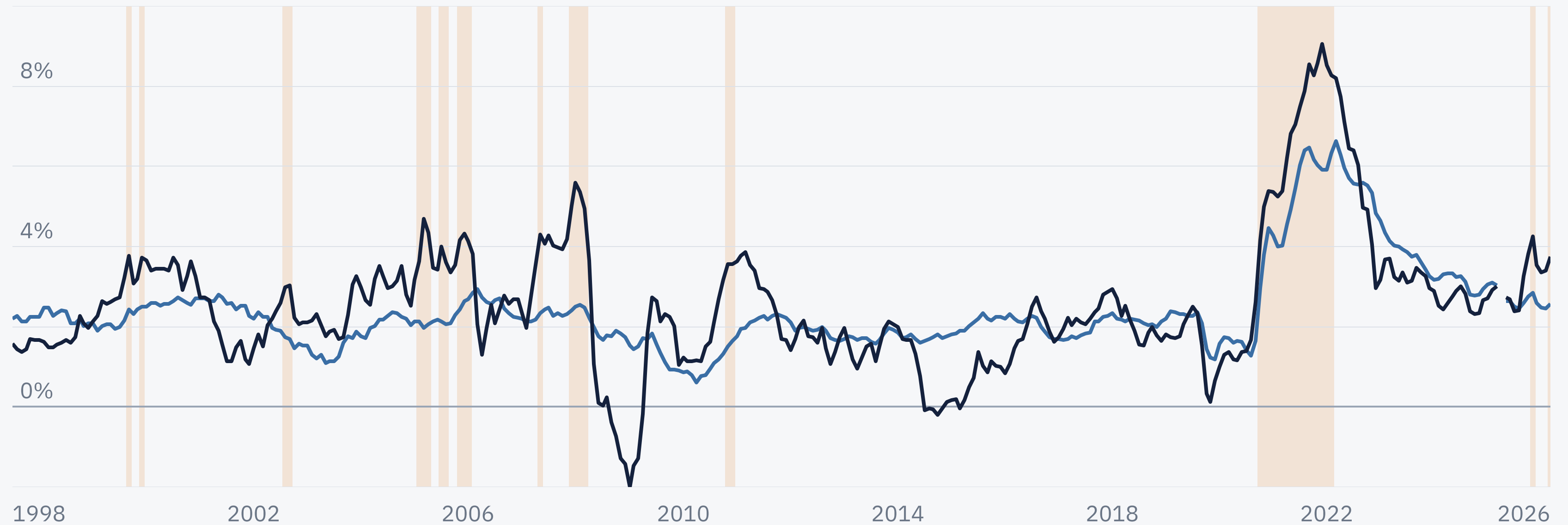


Personal computers are rising at a 40.5% annualized pace over three months. Both sides share one scale.

HISTORY

Core rarely follows energy shocks

■ Headline CPI, 12-month ■ Core CPI, 12-month ■ Energy CPI up 20% or more over 12 months



Source: BLS CPI-U, not seasonally adjusted, Jan 1998 to Sep 2026. October 2025 not published (shutdown).

ENERGY SHOCK EPISODES SINCE 1998

One exception, and it started with core rising

Episode (energy CPI $\geq$ 20%)	Energy peak	Headline peak	Core at start	Core 1 year on	Change
2000	24.2%	3.8%	2.4%	2.7%	+0.3
2003	23.4%	3.0%	1.7%	1.2%	−0.5
2005 to 2006	34.8%	4.7%	2.1%	2.8%	+0.7
2007 to 2008	29.3%	5.6%	2.3%	2.0%	−0.3
2011	21.5%	3.6%	1.5%	2.3%	+0.8
2021 to 2022	41.6%	9.1%	3.0%	6.2%	+3.2
2026, so far	23.5%	4.2%	2.9%	now 2.6%	open

2021–22 was the longest shock (17 months) and began with core at 3.0% and climbing. Today core is 2.6% over 12 months but 3.4% annualized over three.

RATES

Yields are rising on real rates, not inflation expectations

10-year Treasury

5.24%

+77bp since June 1 (4.47%)

10-year breakeven inflation

2.33%

-7bp since June 1 (2.40%)

Effective fed funds, Sep average

3.75%

Up from 3.63% in August

The implied 10-year real yield rose about 84bp, from 2.07% to 2.91%. Markets are not doubting the Fed's inflation target. They are pricing a Fed that leans against this print, and September's fed funds average was the first rise since August 2023.

EVENT STUDY • 320 CPI RELEASES SINCE 2000

CPI day became a market event again in 2022

Asset	2000–2021	2022–2026	p-value
S&P 500 (SPY)	1.01×	1.30×	0.14
Nasdaq 100 (QQQ)	0.94×	1.28×	0.13
Russell 2000 (IWM)	0.97×	1.32×	0.08
7–10y Treasuries (IEF)	1.10×	1.37×	0.02
20y+ Treasuries (TLT)	1.07×	1.23×	0.11
TIPS (TIP)	1.11×	1.29×	0.08

Average absolute move on CPI days divided by the average on all other days.

Since 2022, CPI days move intermediate Treasuries 37% more than a normal day, a statistically significant gap. Equities show 28–32% more, but with 56 releases that is not yet significant.

REGIME STUDY • 1999 TO 2026

In energy-hot regimes, growth lagged and energy led

Annualized price return	Energy CPI $\geq$ 15%	Otherwise
Nasdaq 100 (QQQ)	−17.0%	+22.3%
Technology (XLK)	−12.8%	+19.5%
S&P 500 (SPY)	−6.6%	+12.9%
Consumer discretionary (XLY)	−2.8%	+14.1%
Consumer staples (XLP)	+0.5%	+6.8%
Utilities (XLU)	+2.4%	+6.5%
20y+ Treasuries (TLT)	+4.6%	−0.3%
Energy (XLE)	+11.6%	+10.2%

5 of 6

Episodes where energy beat the S&P 500.

Bonds are not a reliable hedge here: TLT gained 6.4% in the 2007–08 episode and lost 22.2% in 2021–22.

2026 so far breaks the pattern: tech (+10.9%) is ahead of the S&P 500 (+7.0%).

IMPLICATIONS

What the evidence points to, by asset class

Fed and the front end

A firming core alongside a hot headline argues against near-term easing. The rise in September's fed funds average says policy is already leaning tighter. The 3-month core pace is what front-end pricing will key off.

Duration

Real yields carry the move. If core momentum fades, that premium can unwind. If it persists, breakevens are the next leg up. Bonds hedged the 2008 shock and failed in 2022.

Equities

History favors energy over the index and staples and utilities over long-duration growth. 2026 has not followed that script yet, so the signal is a tilt to watch, not a rule.

Volatility and consumers

CPI days have carried about 30% more movement since 2022: size event risk for it. With prices up 3.7% in a year, paychecks that grow slower lose ground, and fuel is the price shoppers see.

WHAT TO WATCH

Five readings decide which history repeats

Reading	Now	Why it matters
Core CPI, 3-month annualized	3.4%	The clearest test of pass-through into core
Transportation services, 1-month	+0.6%	Where fuel costs reach services first
Gasoline, 1-month	+9.1%	It reversed once this year: –9.7% in June
10-year breakeven	2.33%	A rise would mean expectations are moving
Core goods, 3-month annualized	2.2%	Tech goods are the hot spot inside it

Next CPI: October data

November 10

Then: November data

December 10

METHOD AND SOURCES

How the numbers were built

Data

- CPI-U, U.S. city average, BLS flat file, released Oct 14, 2026
- 12-month changes from unadjusted indexes; 1- and 3-month changes from seasonally adjusted indexes
- Treasury yields, breakevens and fed funds from FRED, as of Oct 9, 2026
- Daily ETF closes from the FinzData store; CPI release dates since 1979

Method

- Every study is point-in-time: a regime starts on the day its CPI reading was published
- October 2025 is missing (shutdown); comparisons use calendar months, not row offsets
- CPI-day test: Welch t-test on absolute daily returns
- Small samples flagged: six energy episodes, 56 CPI days since 2022

For information only. This is not investment advice or an offer to buy or sell any security. Historical relationships may not hold in the future.

BUILT ON FINZDATA

Every chart in this deck is one API call

CPI components, Treasury yields and breakevens, prices back to 2000 with the delisted names still in them, fundamentals, positioning and volatility, all kept exactly as they were known on each date. One API, your Python code, and AI assistants like ChatGPT, Claude and Cursor.

```
import finzdata as yf · c = yf.Client()  
c.macro("CPILFESL", as_of="2026-10-13") # core CPI as markets saw it
```

Built for AI, quants, data scientists and financial analysts who backtest. Clean data. Real insights. Real alpha. finzdata.com · This material is for information only and is not investment advice.